

PREVAILED

Roll Call No. \_\_\_\_\_

FAILED

Ayes \_\_\_\_\_

WITHDRAWN

Noes \_\_\_\_\_

RULED OUT OF ORDER

## HOUSE MOTION \_\_\_\_\_

MR. SPEAKER:

I move that House Bill 1729 be amended to read as follows:

- 1 Page 52, between lines 2 and 3, begin a new paragraph and insert:
- 2 "SECTION 64. IC 4-35 IS ADDED TO THE INDIANA CODE AS
- 3 A **NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1,**
- 4 **2001]:**
- 5 **ARTICLE 35. PARI-MUTUEL PULL TAB SALES BY**
- 6 **CERTAIN LICENSEES**
- 7 **Chapter 1. Application and Purpose**
- 8 **Sec. 1. (a) This article applies only to:**
- 9 **(1) a licensee (as defined in IC 4-35-2-4); and**
- 10 **(2) the sale of pari-mutuel pull tabs on the premises owned or**
- 11 **leased by the licensee.**
- 12 **(b) This article does not apply to any other sale of pari-mutuel**
- 13 **pull tabs.**
- 14 **Sec. 2. The purpose of this article is to permit a licensee to sell**
- 15 **pari-mutuel pull tabs.**
- 16 **Chapter 2. Definitions**
- 17 **Sec. 1. (a) As used in this article, "adjusted gross receipts"**
- 18 **means:**
- 19 **(1) the total of all cash and property (including checks**
- 20 **received by a licensee whether collected or not) received by a**
- 21 **licensee from pari-mutuel pull tab sales; minus**
- 22 **(2) the total of:**
- 23 **(A) all cash paid out as winnings for pari-mutuel pull tabs**
- 24 **to patrons; and**

(B) uncollectible pari-mutuel pull tab receivables, not to exceed the lesser of:

- (i) a reasonable provision for uncollectible patron checks received from pari-mutuel pull tab sales; or
- (ii) two percent (2%) of the total of all sums, including checks, whether collected or not, less the amount paid out as winnings for pari-mutuel pull tabs to patrons.

(b) For purposes of this section, a counter or personal check that is invalid or unenforceable under this article is considered cash received by the licensee from pari-mutuel pull tab sales.

Sec. 2. As used in this article, "commissioner" refers to the commissioner of the department of state revenue.

Sec. 3. As used in this article, "department" refers to the department of state revenue established by IC 6-8.1-2-1.

Sec. 4. As used in this article, "licensee" means a person who is:

- (1) a licensed beer retailer under IC 7.1-3-4; and
- (2) licensed to sell pari-mutuel pull tabs under this article.

Sec. 5. As used in this article, "pari-mutuel pull tab" means a game offered to the public in which those persons who purchase a ticket have the opportunity to share in a prize pool, multiple prize pools, or a shared prize pool consisting of the total amount wagered in the game minus deductions by the licensee selling the pari-mutuel pull tab and other deductions either permitted or required by law.

Sec. 6. As used in this article, "pari-mutuel pull tab license" means a license authorizing a person licensed by the Indiana alcoholic beverage commission under IC 7.1-3-4 to engage in the sale of pari-pull tabs in accordance with this article.

### Chapter 3. Department Powers and Duties

Sec. 1. The department shall supervise and administer the sale of pari-mutuel pull tabs under this article by a licensee.

Sec. 2. For purposes of conducting an investigation or proceeding under this article, the department may do the following:

- (1) Administer oaths.
- (2) Take depositions.
- (3) Issue subpoenas.
- (4) Compel the attendance of witnesses and the production of books, papers, documents, and other evidence.

Sec. 3. The department may adopt rules under IC 4-22-2 to:

- (1) implement this article; and
- (2) ensure that pari-mutuel pull tabs are sold in a fair and honest manner.

Sec. 4. (a) The department has the sole authority to license entities under this article to sell, distribute, or manufacture pari-mutuel pull tabs that are sold by licensees under this article.

(b) Licensees must obtain pari-mutuel pull tabs or pari-mutuel

1 pull tab devices or materials only from an entity licensed by the  
2 department.

3 (c) The department may not limit the number of qualified  
4 entities licensed under subsection (a).

5 (d) The department may not consider an entity licensed under  
6 IC 4-32 to sell, distribute, or manufacture the materials described  
7 in subsection (a) to be licensed for purposes of this article.

8 Sec. 5. The department shall charge appropriate fees to an  
9 applicant seeking a license to sell pari-mutuel pull tabs or  
10 pari-mutuel pull tab devices or materials under this article.

11 Sec. 6. The department may do the following:

12 (1) Own, sell, and lease real and personal property necessary  
13 to carry out the department's responsibilities under this  
14 article.

15 (2) Establish and maintain a personnel program for the  
16 department's employees with respect to this article and  
17 combine and coordinate the program with a personnel  
18 program the department has with respect to IC 6-8.1.

19 Sec. 7. The department may employ staff necessary to carry out  
20 this article. The employees hired by the department under this  
21 article may be the same as the department's employees hired under  
22 IC 6-8.1.

#### 23 Chapter 4. Administrative Procedures

24 Sec. 1. IC 6-8.1 applies to the department's decision making  
25 process under this article, except that a formal protest of any  
26 decision, intended decision, or other action must be filed not more  
27 than seventy-two (72) hours after receipt of the notice of decision,  
28 intended decision, or other action.

29 Sec. 2. If the department proposes to terminate the license of a  
30 licensee, the licensee may continue to operate under the license  
31 until the department has made a decision and all administrative  
32 appeals have been exhausted by the entity. However, the right to  
33 continue to operate after the entity's receipt of the department's  
34 decision does not apply to an entity if the department declares in  
35 the decision to terminate the license that an emergency exists that  
36 requires the immediate termination of the license.

37 Sec. 3. The department shall adopt rules under IC 4-22-2  
38 concerning when an emergency exists that requires the immediate  
39 termination of a license under section 2 of this chapter.

40 Sec. 4. If the commissioner is required to hold a public hearing  
41 concerning a license issued under this article, the hearing must be  
42 held in the department's geographic region that includes the  
43 county in which the qualified organization that is seeking or holds  
44 the license is located.

#### 45 Chapter 5. Conduct of Sales

46 Sec. 1. A person licensed by the Indiana alcoholic beverage  
47 commission under IC 7.1-3-4 is eligible to engage in the sale of

1 pari-mutuel pull tabs in accordance with this article. However, this  
 2 article does not authorize the sale of pari-mutuel pull tabs on  
 3 riverboats licensed under IC 4-33 or a racetracks or satellite  
 4 facilities regulated under IC 4-31.

5 Sec. 2. To engage in the sale of pari-mutuel pull tabs, a person  
 6 described in section 1 of this chapter must obtain a license from the  
 7 department.

8 Sec. 3. (a) Each person applying for a pari-mutuel pull tab  
 9 license under this article must submit to the department a written  
 10 application on a form prescribed by the department.

11 (b) The application must include the information that the  
 12 department requires, including the following:

- 13 (1) The name and address of the person.
- 14 (2) The names and addresses of the officers of the entity.
- 15 (3) The location at which the person will engage in the sale of  
 16 pari-mutuel pull tabs.
- 17 (4) Any other information considered necessary by the  
 18 department.

19 Sec. 4. (a) The commissioner may issue a pari-mutuel pull tab  
 20 license to a person if:

- 21 (1) the provisions of this section are satisfied; and
- 22 (2) the person:
  - 23 (A) submits an application; and
  - 24 (B) pays a fee set by the department under IC 4-35-7.

25 (b) The commissioner or the commissioner's designee may hold  
 26 a public hearing to obtain input on the proposed issuance of a  
 27 pari-mutuel pull tab license to an applicant that has never held a  
 28 license under this article.

29 (c) The first time a person applies for a pari-mutuel pull tab  
 30 license, the commissioner shall publish notice that the application  
 31 has been filed. The notification shall be in accordance with  
 32 IC 5-14-1.5-5 and must contain the following:

- 33 (1) The name of the person and the fact that it has applied for  
 34 a pari-mutuel pull tab license.
- 35 (2) The location where pari-mutuel pull tabs will be sold.
- 36 (3) The names of the operator and officers of the entity.
- 37 (4) A statement that any person can protest the proposed  
 38 issuance of the pari-mutuel pull tab license.
- 39 (5) A statement that the department shall hold a public  
 40 hearing if ten (10) written and signed protest letters are  
 41 received by the department.
- 42 (6) The address of the department where correspondence  
 43 concerning the application may be sent.

44 (d) If the department receives at least ten (10) protest letters, the  
 45 department shall hold a public hearing in accordance with  
 46 IC 5-14-1.5. The public hearing must be held within one (1) of the  
 47 geographic regions designated by the department. The department

shall issue a license or deny the application not later than sixty (60) days after the date of the public hearing.

(e) A pari-mutuel pull tab license issued under this section:

- (1) may authorize the licensee to engage in the sale of pari-mutuel pull tabs during a period of one (1) year;
- (2) must state the location of the permitted sales of pari-mutuel pull tabs;
- (3) must state the expiration date of the license; and
- (4) may be reissued annually upon the submission of an application for reissuance on a form established by the department and upon the licensee's payment of a fee set by the department.

(f) Notwithstanding subsection (e)(4), the commissioner shall hold a public hearing for the reissuance of a pari-mutuel pull tab license if:

- (1) an applicant has been cited for a violation of law or a rule of the department; or
- (2) the department finds, based upon investigation of at least three (3) written and signed complaints alleging a violation of law or a rule of the department in connection with the pari-mutuel pull tab license, that one (1) or more of the alleged violations:
  - (A) has occurred;
  - (B) is a type of violation that would allow the department to cite the applicant for a violation of a provision of this article or of a rule of the department; and
  - (C) has not been corrected after notice has been given by the department.

(g) If the department is required to hold a public hearing on an application for a reissuance of a pari-mutuel pull tab license, it shall comply with the same procedures required under this section for notice and for conducting the hearing.

(h) The commissioner may deny a license if, after a public hearing, the commissioner determines that the applicant:

- (1) has violated a local ordinance; or
- (2) has engaged in fraud, deceit, or misrepresentation.

Sec. 5. The department may not limit the number of persons licensed under this article.

Sec. 6. This chapter does not apply to a person who conducts, participates in, or receives a prize from the sale of pari-mutuel pull tabs under this article.

Sec. 7. A licensee shall maintain accurate records of all financial aspects of the sale of pari-mutuel pull tabs under this article. A licensee shall make accurate reports of all financial aspects of the sale of pari-mutuel pull tabs to the department within the time established by the department. The department may prescribe forms for this purpose.

1       **Sec. 8. The following persons may not play a pari-mutuel pull**  
2 **tab game or participate in any manner in the sale of pari-mutuel**  
3 **pull tabs under this article:**

4       **(1) An employee of the department.**

5       **(2) A person less than twenty-one (21) years of age.**

6       **Sec. 9. A pari-mutuel pull tab game must be conducted in the**  
7 **following manner:**

8       **(1) Each set of tickets must have a predetermined:**

9       **(A) total purchase price; and**

10       **(B) amount of prizes.**

11       **(2) Randomly ordered pari-mutuel pull tab tickets may be**  
12 **distributed from an approved location or from a distribution**  
13 **device to a terminal or device of the licensee at the licensee's**  
14 **facility.**

15       **(3) A pari-mutuel pull tab ticket must be presented to a player**  
16 **in the form of a paper ticket or display on a terminal or**  
17 **device.**

18       **(4) Game results must be initially covered or otherwise**  
19 **concealed from view on the pari-mutuel pull tab ticket or**  
20 **terminal or device so that the number, letter, symbol, or set of**  
21 **numbers, letters, or symbols cannot be seen until the**  
22 **concealing medium is removed.**

23       **(5) A winner is identified after the display of the game results**  
24 **when a player removes the concealing medium of the**  
25 **pari-mutuel pull tab ticket or display on a terminal or device.**

26       **(6) A winner shall receive the prize posted for the game from**  
27 **the licensee.**

28       **Sec. 10. The sale price of a pari-mutuel pull tab ticket may not**  
29 **exceed ten dollars (\$10).**

30       **Sec. 11. A person may purchase or redeem a pari-mutuel pull**  
31 **tab ticket under this article only at a location approved by the**  
32 **department.**

33       **Sec. 12. The number and size of the prizes in a pari-mutuel pull**  
34 **tab game must be finite but may not be limited.**

35       **Sec. 13. A list of prizes for winning pari-mutuel pull tab tickets**  
36 **must be posted at a location where the tickets are sold.**

37       **Sec. 14. A licensee may close a pari-mutuel pull tab game at any**  
38 **time.**

39       **Sec. 15. A terminal or device selling pari-mutuel pull tab tickets**  
40 **may be operated by a player without the assistance of the licensee**  
41 **for the sale and redemption of pari-mutuel pull tab tickets.**

42       **Sec. 16. A terminal or device selling pari-mutuel pull tab tickets**  
43 **may not dispense coins or currency as prizes for winning tickets.**  
44 **Prizes awarded by a terminal or device must be in the form of**  
45 **credits for additional play or certificates redeemable for cash or**  
46 **prizes.**

47       **Sec. 17. (a) A tax is imposed on the adjusted gross receipts**

received from the sale of pari-mutuel pull tabs authorized under this article at the rate of twenty percent (20%) of the amount of the adjusted gross receipts.

(b) The licensee shall remit the tax imposed by this section to the department before the close of the business day following the day the pari-mutuel pull tabs are sold.

(c) The department may require payment under this section to be made by electronic funds transfer (as defined in IC 4-8.1-2-7(e)).

(d) If the department requires taxes to be remitted under this chapter through electronic funds transfer, the department may allow the licensee to file a monthly report to reconcile the amounts remitted to the department.

(e) The department may allow taxes remitted under this section to be reported on the same form used for taxes paid under IC 4-31-9.

**Sec. 18.** Before the fifteenth day of each month, tax revenues collected under this chapter during the preceding month from a licensee under this article shall be distributed as follows:

(1) Twenty-five percent (25%) shall be distributed to the local property tax relief fund established by IC 4-35-11-1.

(2) Seventy-five percent (75%) shall be deposited in the build Indiana fund lottery and gaming surplus account.

**Sec. 19.** The department shall adopt rules under IC 4-22-2, including emergency rules under IC 4-22-2-37.1, to implement this chapter, including rules that prescribe:

(1) an approval process for pari-mutuel pull tab games that requires periodic testing to ensure the integrity of the games to the public;

(2) a system of internal audit controls;

(3) a method of payment for pari-mutuel pull tab prizes that will allow a player to transfer credits from one (1) terminal or device to another;

(4) a method of payment for pari-mutuel pull tab prizes that will allow a player to redeem a winning ticket for additional play tickets; and

(5) any other procedure or requirement necessary for the efficient and economical operation of the pari-mutuel pull tab games and the convenience of the public.

#### **Chapter 6. Pari-Mutuel Pull Tab Enforcement Fund**

**Sec. 1.** As used in this chapter, "surplus revenue" means the amount of money in the pari-mutuel pull tab enforcement fund established by section 2 of this chapter that is not required to meet the costs of administration and the cash flow needs of the department under this article.

**Sec. 2.** The pari-mutuel pull tab enforcement fund is established. The commissioner shall administer the fund.

**Sec. 3.** The fees and civil penalties collected by the department

under this article shall be deposited in the fund.

Sec. 4. Money in the fund does not revert to the state general fund at the end of a state fiscal year. The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

Sec. 5. Before the last business day of January, April, July, and October, the department shall, upon approval of the budget agency, transfer the surplus revenue to the treasurer of state for deposit in the lottery and gaming surplus account in the build Indiana fund.

#### Chapter 7. License Fees

Sec. 1. The department shall charge a license fee to an applicant for a pari-mutuel pull tab license or a manufacturer and distributor license under this article.

Sec. 2. The department shall establish an initial license fee schedule. However, the license fee that is charged to a person in the first year that the person applies for a license may not exceed one thousand dollars (\$1,000).

Sec. 3. The license fee that is charged to a licensee that renews a pari-mutuel pull tab license must be based on the total gross revenue of the licensee from the sale of pari-mutuel pull tabs.

Sec. 4. The department shall establish a license fee schedule for the renewal of licenses for manufacturers and distributors. However, the license fee that is charged to a person that renews a manufacturer's or distributor's license may not exceed one thousand dollars (\$1,000).

#### Chapter 8. Penalties

Sec. 1. (a) The department may suspend or revoke the license of or levy a civil penalty against a licensee or an individual acting on behalf of a licensee under this article for any of the following:

- (1) Violation of a provision of this article or of a rule of the department.
- (2) Failure to accurately account for pari-mutuel pull tabs.
- (3) Failure to accurately account for the proceeds from the sale of pari-mutuel pull tabs.
- (4) Commission of fraud, deceit, or misrepresentation.
- (5) Conduct prejudicial to public confidence in the department.

(b) If a violation is of a continuing nature, the department may impose a civil penalty upon a licensee or an individual acting on behalf of a licensee for each day the violation continues.

Sec. 2. The department may impose upon a licensee or an individual acting on behalf of a licensee the following civil penalties:

- (1) Not more than one thousand dollars (\$1,000) for the first violation.



(2) Not more than two thousand five hundred dollars (\$2,500) for the second violation.

(3) Not more than five thousand dollars (\$5,000) for each additional violation.

Sec. 3. In addition to the penalties described in section 2 of this chapter, the department may do all or any of the following:

(1) Suspend or revoke a licensee's license.

(2) Lengthen a period of suspension of a licensee's license.

(3) Prohibit an individual who has been found to be in violation of this article from participating in the sale of pari-mutuel pull tabs.

(4) Impose an additional civil penalty of not more than one hundred dollars (\$100) for each day a civil penalty imposed under section 2 of this chapter goes unpaid.

Sec. 4. A person who violates a provision of this article commits a Class B misdemeanor.

#### Chapter 9. Security

Sec. 1. The department is responsible for security matters under this article. The commissioner may, with the approval of the governor, employ the individuals that are necessary to carry out this chapter.

Sec. 2. At the direction of the commissioner, the department may do any of the following:

(1) Investigate an alleged violation of this article.

(2) In the performance of the department's lawful duties, enter upon a premises where pari-mutuel pull tabs are being purchased, sold, manufactured, printed, or stored.

(3) Take necessary equipment from a premises described in subdivision (2) for further investigation.

(4) Obtain full access to all financial records of the entity whose premises are described in subdivision (2) upon request.

(5) If there is a reason to believe that a violation of this article or a rule adopted under this article has occurred, search and inspect the premises where the violation is alleged to have occurred or is occurring. A search under this subdivision may not be conducted unless a warrant has first been obtained by the commissioner. A contract entered into by the commissioner may not include a provision allowing for warrantless searches. A warrant may be obtained from a court in the county where the search will be conducted or in Marion County.

(6) Seize or take possession of:

(A) papers;

(B) records;

(C) tickets;

(D) currency; or

(E) other items;

related to an alleged violation of this article or a rule adopted under this article.

**Sec. 3. (a)** The department shall conduct investigations necessary to ensure the security and integrity of the operation of pari-mutuel pull tabs. The department may conduct investigations of the following:

- (1) A licensee.
- (2) An applicant for a license issued under this article.
- (3) A licensed manufacturer or distributor.
- (4) An employee of the department under this article.
- (5) An applicant for contracts or employment with the department under this article.

**(b)** The commissioner may require persons subject to an investigation under subsection (a) to provide information, including fingerprints, that is:

- (1) required by the state police department to carry out the investigation; or
- (2) otherwise needed to facilitate access to state and criminal history information.

**Sec. 4. (a)** The state police department shall provide the following:

- (1) Assistance in obtaining criminal history information relevant to investigations required for honest, secure, exemplary operations under this article.
- (2) Any other assistance requested by the commissioner and agreed to by the superintendent of the state police department.

**(b)** Any other state agency, including the Indiana alcoholic beverage commission and the Indiana professional licensing agency, shall upon request provide the commissioner with information relevant to an investigation conducted under this article.

#### **Chapter 10. Taxation of Prizes**

**Sec. 1.** A licensee that awards a monetary prize shall withhold state adjusted gross income tax from the prize awarded to a winner and report the prize awarded to the department in the same manner as required under federal law, if the licensee that awards the prize is required to withhold federal tax or report the prize under federal law.

**Sec. 2.** A licensee that awards a prize of merchandise or other goods shall include with each prize awarded the appropriate forms for reporting the prize to the Internal Revenue Service and department, if reporting the receipt of the prize is required. The licensee shall withhold state adjusted gross income tax and report prizes awarded under this section to the department in the same manner as required under federal law.

#### **Chapter 11. Local Property Tax Relief Fund**

1       **Sec. 1. The local property tax relief fund is established for the**  
 2 **purpose of providing property tax relief. The fund consists of:**

- 3       **(1) money paid into the fund under IC 4-35-5-18(1);**  
 4       **(2) grants, gifts, and donations intended for deposit in the**  
 5 **fund; and**  
 6       **(3) interest that accrues from money in the fund.**

7       **Sec. 2. The fund shall be administered by the budget agency.**  
 8 **The treasurer of state shall invest the money in the fund not**  
 9 **currently needed to meet the obligations of the fund in the same**  
 10 **manner as other public funds may be invested. Money in the fund**  
 11 **at the end of the state fiscal year does not revert to the state**  
 12 **general fund.**

13       **Sec. 3. (a) Subject to review by the budget committee and**  
 14 **approval by the budget agency, the treasurer of state shall**  
 15 **distribute money for property tax relief in counties in which**  
 16 **pari-mutuel pull tab tickets are sold under this article.**

17       **(b) The money in the fund shall, in the manner prescribed in this**  
 18 **chapter, be allocated, distributed, and used by the civil taxing units**  
 19 **and school corporations in the counties as property tax**  
 20 **replacement credits.**

21       **Sec. 4. (a) The treasurer of state shall distribute to each county**  
 22 **in which pari-mutuel pull tab tickets are sold under this article an**  
 23 **amount equal to the pari-mutual pull tab tax revenue collected in**  
 24 **the previous year from licensees in the county and deposited in the**  
 25 **fund.**

26       **(b) The amount of property tax replacement credits that each**  
 27 **civil taxing unit and school corporation in a county receiving a**  
 28 **distribution under this chapter is entitled to receive during a year**  
 29 **equals the product of:**

- 30       **(1) the amount of the county's distribution for the year;**  
 31 **multiplied by**  
 32       **(2) a fraction determined as follows:**  
 33       **(A) The numerator of the fraction equals the sum of the**  
 34 **total property taxes being collected by the civil taxing unit**  
 35 **or school corporation during that year.**  
 36       **(B) The denominator of the fraction equals the sum of the**  
 37 **total property taxes being collected by all civil taxing units**  
 38 **and school corporations in the county during that year.**

39       **Sec. 5. The state board of tax commissioners shall provide each**  
 40 **county auditor with the amount of property tax replacement**  
 41 **credits that each civil taxing unit and school corporation in the**  
 42 **auditor's county is entitled to receive under this chapter. The**  
 43 **county auditor shall then certify to each civil taxing unit and school**  
 44 **corporation the amount of property tax replacement credits it is**  
 45 **entitled to receive (after adjustment made under section 6 of this**  
 46 **chapter) during that year. The county auditor shall also certify**  
 47 **these distributions to the county treasurer.**

1       **Sec. 6. (a) If a civil taxing unit or school corporation in a county**  
 2 **receiving a distribution under this chapter does not impose a**  
 3 **property tax levy that is first due and payable in a year in which**  
 4 **property tax replacement credits are being distributed, that civil**  
 5 **taxing unit or school corporation is entitled to receive a proportion**  
 6 **of the property tax replacement credits to be distributed in the**  
 7 **county under this chapter. The amount that such a civil taxing unit**  
 8 **or school corporation is entitled to receive during that year equals**  
 9 **the product of:**

10       **(1) the amount of the county's distribution for the year;**  
 11 **multiplied by**

12       **(2) a fraction determined as follows:**

13       **(A) The numerator of the fraction equals the budget of that**  
 14 **civil taxing unit or school corporation for that year.**

15       **(B) The denominator of the fraction equals the aggregate**  
 16 **budgets of all civil taxing units and school corporations in**  
 17 **the county for that year.**

18       **(b) If for a year a civil taxing unit or school corporation is**  
 19 **allocated property tax replacement credits by this section, the**  
 20 **formula used in section 4 of this chapter to determine all other civil**  
 21 **taxing units' and school corporations' property tax replacement**  
 22 **credits shall be changed for that same year by reducing the amount**  
 23 **dedicated to providing property tax replacement credits by the**  
 24 **amount of property tax replacement credits allocated under this**  
 25 **subsection for that same year. The state board of tax**  
 26 **commissioners shall make any adjustments required by this section**  
 27 **and provide them to the appropriate county auditors.**

28       **Sec. 7. In determining the amount of property tax replacement**  
 29 **credits that civil taxing units and school corporations in a county**  
 30 **receiving a distribution under this chapter are entitled to receive**  
 31 **during a year, the state board of tax commissioners shall consider**  
 32 **only property taxes imposed on tangible property that was assessed**  
 33 **in the county.**

34       **Sec. 8. If a civil taxing unit or a school corporation is located in**  
 35 **part in a county that does not receive a distribution under this**  
 36 **chapter, the property tax replacement credits received under this**  
 37 **chapter shall be used only to reduce the property tax rates that are**  
 38 **imposed within the county receiving the distribution under this**  
 39 **chapter.**

40       **Sec. 9. (a) A civil taxing unit shall treat any property tax**  
 41 **replacement credits that it receives or is to receive during a**  
 42 **particular year as a part of its property tax levy for that same**  
 43 **calendar year for purposes of fixing its budget and for purposes of**  
 44 **the property tax levy limits imposed by IC 6-1.1-18.5.**

45       **(b) A school corporation shall treat any property tax**  
 46 **replacement credits that the school corporation receives or is to**  
 47 **receive during a particular year as a part of its property tax levy**

1     **for its general fund, debt service fund, capital projects fund,**  
2     **transportation fund, and special education preschool fund in**  
3     **proportion to the levy for each of these funds for that same year**  
4     **for purposes of fixing its budget and for purposes of the property**  
5     **tax levy limits imposed by IC 6-1.1-19. A school corporation shall**  
6     **allocate the property tax replacement credits described in this**  
7     **subsection to all five (5) funds in proportion to the levy for each**  
8     **fund."**

9     Renumber all SECTIONS consecutively.  
      (Reference is to HB 1729 as printed January 22, 2001.)

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Representative Kersey